

**Before the
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of)	
)	
Applications for Transfer of Control of	)	File Nos. BTCCT-20050909ADC
The Liberty Corporation	)	BTCCT-20050909ADD
	)	BTCCT-20050909ADE
To	)	BTCCT-20050909ADF
	)	BTCCT-20050909ADG
Raycom Media, Inc.	)	BTCCT-20050909ADH
	)	BTCCT-20050909ADI
	)	BTCCT-20050909ADJ
	)	BTCCT-20050909ADK
	)	BTCCT-20050909ADL
	)	BTCCT-20050909ADM
	)	BTCCT-20050909ADN
	)	BTCCT-20050909ADZ
	)	BTCCT-20050909AEA
	)	BTCCT-20050909AEB

MEMORANDUM OPINION AND ORDER

Adopted: January 13, 2006

Released: January 17, 2006

By the Chief, Media Bureau:

1. The Commission, by the Chief, Media Bureau, pursuant to delegated authority, has before it for consideration applications to transfer control of The Liberty Corporation (Liberty) and its wholly-owned subsidiary Cosmos Broadcasting Corporation (Cosmos) and Cosmos' wholly-owned subsidiaries CivCo, Inc. and LibCo, Inc. to Raycom Media, Inc.¹ Grant of the transfers would create television duopolies in four markets that are not permissible under our multiple ownership rules. Raycom has requested a six-month waiver to come into compliance with the multiple ownership rules in those markets. Raycom also seeks a continuing satellite waiver to operate KTRE(TV), Lufkin, Texas as a satellite of KLTN(TV), Tyler, Texas. The applications are unopposed.² For the reasons stated below, we grant the requested waivers and the applications.

2. **The Multiple Ownership Waivers.** Under our multiple ownership rules an entity may own two television stations in the same Designated Market Area (DMA)³ only if (1) the Grade B contours of the two

¹ A complete list of the stations affected by the transfers of control is attached as Exhibit A.

² Free Press filed a petition to deny the applications based on the local multiple ownership issues. The parties entered into a settlement agreement and filed a joint request for approval of the settlement agreement. Under the agreement, Free Press withdrew its petition to deny. The parties have submitted declarations that no consideration, monetary or otherwise, was given for the settlement agreement. Although this order discusses the primary issues raised in Free Press's petition to deny, we believe that grant of the settlement agreement is in the public interest. Therefore, we grant the joint request for approval of the settlement agreement.

³ Our rules rely on DMAs as determined by Nielsen Media Research.

stations do not overlap or (2) at the time the application is filed at least one of the stations is not ranked among the top four stations in the DMA and at least eight independently owned and operating, full-power television stations would remain in the DMA post-merger.⁴

3. Raycom argues that a six-month waiver of these rules is warranted in this situation. Raycom argues that the requested waiver is similar to other waivers the Commission has found to be in the public interest in order to facilitate multi-station transactions.⁵ Furthermore, Raycom has offered extensive evidence of its efforts to sell one of the stations in each of the markets where an impermissible duopoly would be created.

4. In Toledo, Ohio, the 70th largest television market, where Raycom currently owns station WNWO(TV), the number three station in the market, it would acquire control of WTOL(TV), the number one station. There are seven full-service television stations in the Toledo market, of which five would be independently owned following grant of the applications. In Columbia, South Carolina, the 83rd largest market, where Raycom currently owns station WACH(TV), the number three station in the market, it would acquire control of WIS(TV), the number one station in the market. There are eight full service stations, five of which would be independently owned following grant of the applications. In Wilmington, North Carolina, the 140th largest market, where Raycom currently owns WECT(TV), the number one station in the market, it would acquire control of WWAY(TV), the number two station in the market. There are four full-service stations in the Wilmington market, of which two would be independently owned following grant of the applications. Finally, in Albany, Georgia, the 148th largest market, where Raycom currently owns station WFXL(TV), the number two station in the market, it would acquire WALB(TV), the number one station in the market. There are six full-service stations in the Albany market, of which three would be independently owned following grant of the applications.

5. In the applications, Raycom states that it will seek to promptly divest one of the stations in each of the four overlap markets and that it will maintain separate operations of the subject stations during the waiver period. In subsequent amendments to the applications, Raycom states that it has engaged Wachovia Securities, LLC and Belmore Corporate Advisors, LLC to assist in the divestiture process. Raycom reports that it has assigned eight staff members to prepare due diligence materials for prospective buyers. In Wilmington, the most concentrated market at issue, an application was filed on January 4, 2006 to assign WWAY(TV) to Morris Network, Inc.⁶ In addition, Raycom reports that it has received 12 bids for WNWO(TV), Toledo, 14 bids for WACH(TV), Columbia, and 11 bids for WFXL(TV), Albany. According to Raycom's most recent amendment, on-site station inspections are planned for January 2006, with final bids anticipated by January 31, 2006.

6. In addition to its efforts to market the stations, Raycom reports that it has entered into a commitment with the Antitrust Division of the Department of Justice (DOJ). Pursuant to that agreement, Raycom has committed to operate the stations in the overlap markets as separate entities and maintain competition between them pending divestiture. If Raycom has not divested one station in each of the overlap markets within six months of closing on the transfer applications, Raycom has agreed that DOJ will

⁴ 47 C.F.R. § 73.3555(b) (2002). In the 2002 Biennial Regulatory Review, 18 FCC Rcd 13620 (2003), the Commission adopted new rules governing television local multiple ownership limitations. Several aspects of the new rules are currently stayed pursuant to *Prometheus Radio Project v. FCC*, 373 F. 3d 372 (3rd Cir. 2004). Both sets of rules, however, contain the top four limitation, which was also upheld in *Prometheus Radio*.

⁵ See, e.g., *Telemundo Communications Group, Inc.* 17 FCC Rcd 6958 (2002); *UTV of San Francisco*, 14 FCC Rcd 14975 (2001).

⁶ The sale is contingent on the completion of the Raycom/Liberty transaction.

have the right to file a Consent Decree and Hold Separate Stipulation and Order which will provide that: (1) upon the filing of the Consent Decree, Raycom will have an additional 90 days to complete the divestitures on its own; and (2) if Raycom fails to complete the divestitures within 90 days (subject to a 60-day extension at DOJ's discretion), a trustee will be appointed to complete the divestiture subject to DOJ's approval.

7. On the facts presented here, we believe the requested multiple ownership waivers are warranted. Raycom has been extremely aggressive in marketing the stations and an assignment application has already been filed for one of the stations. Raycom's concrete steps to sell the stations, coupled with its agreement with DOJ, makes us confident that Raycom will comply with the divestiture deadline. Indeed, we are relying on Raycom's continued aggressive marketing of the stations and its agreement with DOJ in reaching our decision here.

8. **The Satellite Waiver.** Pursuant to the Commission's television satellite policy, as set forth in *Television Satellite Stations*,⁷ an applicant for satellite status is entitled to a presumption that the proposed satellite operation is in the public interest if it meets three criteria: (1) there is no City Grade overlap between the parent and the satellite; (2) the proposed satellite would provide service to an underserved area; and (3) no alternative operator is ready and able to construct or to purchase and operate the satellite as a full-service station. Applications meeting these criteria, when unrebutted, will be viewed favorably by the Commission. If an applicant cannot qualify for the presumption, the Commission will evaluate the proposal on an *ad hoc* basis, and grant the application if there are compelling circumstances that warrant approval.

9. Based upon the information before us, KTRE(TV) qualifies for continued operation as a satellite station. On the first criterion, Raycom has submitted an engineering exhibit showing that there is no City Grade overlap between the two stations. Second, continued operation of KTRE(TV) would serve an otherwise underserved area. An area is defined as underserved if, under the "transmission test" there are two or fewer full-service stations already licensed to the proposed satellite's community of license, or if, under the "reception test," 25 percent or more of the area within the proposed satellite's Grade B contour, but outside of the parent's Grade B contour, receives four or fewer services, not including the proposed satellite service.⁸ KTRE(TV) is the only full-service television station licensed to Lufkin, Texas.

10. With regard to the third criterion, Raycom presents persuasive evidence that no alternative operator is willing to operate KTRE(TV) as a stand-alone station. In an attachment to the application, Raycom has included an update of a previous study done by Patrick Communications, LLC (Patrick Study), which contends that KTRE(TV) would not be economically viable as a full-service station. The Patrick Study illustrates that the Tyler-Longview DMA, where the station is located, is a small television market that is geographically dispersed over 14 counties.⁹ The Grade B contour of KLTN(TV) covers the northern counties of the DMA, which include the largest counties, while the Grade B contour of KTRE(TV) covers the smaller southern counties. The Grade B signal of KTRE(TV) does not cover the largest counties in the DMA and does not cover the most economically significant communities of Tyler or Longview. The Patrick Study argues that this limited market does not provide the opportunities to make KTRE(TV) an economically viable stand-alone station. The Patrick Study also concludes that no reasonable, qualified buyer would be interested in purchasing the station. Based on the above, we believe

⁷ 6 FCC Rcd 4212 (1991).

⁸ *Television Satellite Stations*, 6 FCC Rcd at 4215.

⁹ Since 2000, the market has declined from 108th to 111th.

that Raycom has adequately demonstrated the unlikelihood of finding an alternative buyer ready willing and able to operate KTRE(TV) on a stand-alone basis and that continued operation of KTRE(TV) as a satellite station is justified and would serve the public interest.

11. Having found the parties fully qualified, we conclude that grant of the subject applications would serve the public interest. ACCORDINGLY, IT IS ORDERED THAT, the joint request for approval of settlement agreement filed by Free Press, The Liberty Corporation and Raycom Media, Inc. is GRANTED and the petition to deny filed by Free Press IS DISMISSED. FURTHERMORE, IT IS ORDERED THAT the request for a temporary waiver of the Commission's duopoly rule, 47 C.F.R. §73.3555 (b) to permit common ownership by Raycom Media, Inc. of two television stations in the Toledo, Ohio; Columbia, South Carolina; Wilmington, North Carolina; and Albany, Georgia markets IS GRANTED, subject to the condition that within six months of the consummation of this transaction, applications are filed with the Commission to dispose of such stations as would be necessary for Raycom Media, Inc. to come into full compliance with 47. C.F.R., § 73.3555(b). FURTHERMORE, IT IS ORDERED THAT the request for continued satellite operation of KTRE(TV) IS GRANTED. FINALLY, IT IS ORDERED THAT the applications to transfer control of The Liberty Corporation and its wholly-owned subsidiary Cosmos Broadcasting Corporation and Cosmos' wholly-owned subsidiaries CivCo, Inc. and LibCo, Inc. to Raycom Media, Inc. ARE GRANTED.

FEDERAL COMMUNICATIONS COMMISSION

Donna C. Gregg
Chief, Media Bureau

EXHIBIT A

STATION	ID NO.	COMMUNITY	FILE NO.
KAIT(TV)	13988	Jonesboro, AK	BTCCT-20050909ADC
KPLC(TV)	13994	Lake Charles, LA	BTCCT-20050909ADD
WAVE(TV)	13989	Louisville, KY	BTCCT-20050909ADE
WIS(TV)	13990	Columbia, SC	BTCCT-20050909ADF
WSFA(TV)	13993	Montgomery, AL	BTCCT-20050909ADG
WFIE(TV)	13991	Evansville, IN	BTCCT-20050909ADH
WLOX(TV)	13995	Biloxi, MS	BTCCT-20050909ADI
WTOL(TV)	13992	Toledo, OH	BTCCT-20050909ADJ
WALB(TV)	70713	Albany, GA	BTCCT-20050909ADK
KGBT-TV	34457	Harlingen, TX	BTCCT-20050909ADL
KCBD(TV)	27507	Lubbock, TX	BTCCT-20050909ADM
WWAY(TV)	12033	Wilmington, NC	BTCCT-20050909ADN
WLBT(TV)	68542	Jackson, MS	BTCCT-20050909ADZ
KLTV(TV)	68540	Tyler, TX	BTCCT-20050909AEA
KTRE(TV)	68541	Lufkin, TX	BTCCT-20050909AEB